



Senate

General Assembly

File No. 490

January Session, 2015

Substitute Senate Bill No. 928

Senate, April 7, 2015

The Committee on Energy and Technology reported through SEN. DOYLE of the 9th Dist., Chairperson of the Committee on the part of the Senate, that the substitute bill ought to pass.

AN ACT ESTABLISHING A SHARED CLEAN ENERGY FACILITY PILOT PROGRAM.

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. (NEW) (*Effective October 1, 2015*) (a) As used in this
2 section:

3 (1) "Shared clean energy facility" means a Class I renewable energy
4 source, as defined in section 16-1 of the general statutes, that (A) is
5 served by an electric distribution company, as defined in section 16-1
6 of the general statutes, (B) is within the same electric distribution
7 company service territory as the individual billing meters for
8 subscriptions, (C) has a nameplate capacity rating of four megawatts
9 or less, and (D) has at least two subscribers;

10 (2) "Individual billing meter" means an individual electric meter or a
11 set of electric meters, when such meters are combined for billing
12 purposes, within the service territory of the subscriber's electric
13 distribution company;

14 (3) "Electric distribution company" has the same meaning as
15 provided in section 16-1 of the general statutes;

16 (4) "Subscriber" means an in-state retail end user of an electric
17 distribution company who (A) has contracted for a subscription, and
18 (B) has identified an individual billing meter to which the subscription
19 shall be attributed;

20 (5) "Subscriber organization" means any for-profit or not-for-profit
21 entity permitted by Connecticut law that (A) owns or operates one or
22 more shared clean energy facilities for the benefit of the subscribers, or
23 (B) contracts with a third-party entity to build, own or operate one or
24 more shared clean energy facilities; and

25 (6) "Subscription" means a beneficial use of a shared clean energy
26 facility, including, but not limited to, a percentage interest in the total
27 amount of electricity produced by such facility or a set amount of
28 electricity produced by such facility.

29 (b) The Department of Energy and Environmental Protection, in
30 consultation with the electric distribution companies, shall establish a
31 three-year pilot program to support the development of shared clean
32 energy facilities. On or before January 1, 2016, the department shall
33 develop and issue a request for proposals from subscriber
34 organizations seeking to develop a shared clean energy facility.

35 (c) The department shall select, pursuant to the request for
36 proposals process, two recipients for the shared clean energy facility
37 pilot program. To the extent possible, one recipient shall construct a
38 shared clean energy facility with a nameplate capacity rating of not
39 more than two megawatts and the other recipient shall construct a
40 shared clean energy facility with a nameplate capacity rating of not
41 more than four megawatts. The department shall establish (1) a billing
42 credit for any subscriber of a shared clean energy facility, and (2)
43 consumer protections for subscribers and potential subscribers of such
44 a facility, including, but not limited to, disclosures to be made when
45 selling or reselling a subscription.

46 (d) Not later than one year after being selected for an award under
 47 the shared clean energy facility pilot program and annually for two
 48 years thereafter, each recipient shall submit a report, in accordance
 49 with section 11-4a of the general statutes, to the joint standing
 50 committee of the General Assembly having cognizance of matters
 51 relating to energy and to the Department of Energy and
 52 Environmental Protection. Such report shall include, but not be limited
 53 to, information concerning the status of the shared clean energy
 54 facility.

55 (e) On or before January 1, 2019, the department shall file a report,
 56 in accordance with the provisions of section 11-4a of the general
 57 statutes, with the joint standing committee of the General Assembly
 58 having cognizance of matters relating to energy, (1) analyzing the
 59 success of the shared clean energy pilot program, (2) identifying and
 60 analyzing the success of programs in other states that allow facilities
 61 similar to a shared clean energy facility, and (3) recommending
 62 whether a permanent program should be established in this state and,
 63 if so, any necessary legislation.

This act shall take effect as follows and shall amend the following sections:		
Section 1	October 1, 2015	New section

ET *Joint Favorable Subst.*

The following Fiscal Impact Statement and Bill Analysis are prepared for the benefit of the members of the General Assembly, solely for purposes of information, summarization and explanation and do not represent the intent of the General Assembly or either chamber thereof for any purpose. In general, fiscal impacts are based upon a variety of informational sources, including the analyst's professional knowledge. Whenever applicable, agency data is consulted as part of the analysis, however final products do not necessarily reflect an assessment from any specific department.

OFA Fiscal Note

State Impact: None

Municipal Impact: None

Explanation

The bill requires the Department of Energy and Environmental Protection (DEEP) to consult with electric distribution companies to establish a three-year pilot program of two shared clean energy facilities. There is no fiscal impact to DEEP, as it has the staff and expertise to develop and issue request for proposals from subscriber organizations seeking to develop a shared clean energy facility.

The two projects, totaling 6 megawatts of new generation, represent less than 0.2% of total electricity generation in Connecticut. It is estimated the pilot program would have no fiscal impact on the state or municipalities as ratepayers.

The Out Years

State Impact: None

Municipal Impact: None

Sources: U.S. Energy Information Administration

OLR Bill Analysis**sSB 928*****AN ACT ESTABLISHING A SHARED CLEAN ENERGY FACILITY PILOT PROGRAM.*****SUMMARY:**

This bill requires the Department of Energy and Environmental Protection (DEEP), in consultation with the electric distribution companies (EDCs, i.e., Eversource and United Illuminating), to establish a three-year pilot program to support the development of shared clean energy facilities. In general, a shared clean energy facility under the bill is a clean energy-powered electricity generating facility in which customers subscribe for a (1) percentage interest in the total amount of electricity produced or (2) set amount of electricity produced. The subscriber's share of the electricity produced is then used to offset the subscriber's electric costs at another billing meter identified by the subscriber.

The bill requires DEEP, by January 1, 2016, to develop and issue a request for proposals to develop shared clean energy facilities from entities that (1) own or operate shared clean energy facilities to benefit subscribers or (2) contract with third parties to build, own, or operate shared clean energy facilities. DEEP must select two recipients from among the proposals for the pilot program. To the extent possible, one recipient must construct a facility with a nameplate capacity rating (i.e., generating capacity) of up to two megawatts (MW) and the other must construct a facility with a nameplate capacity rating of up to four MW.

Under the bill, DEEP must establish a billing credit for the facilities' subscribers and consumer protections for subscribers and potential subscribers that at least include disclosures that must be made when selling or reselling a subscription.

Starting within one year after being awarded the projects by DEEP, the bill requires each recipient to submit three annual reports to DEEP and the Energy and Technology Committee with information on its facility's status. By January 1, 2019, DEEP must file a report with the Energy and Technology Committee that (1) analyzes the pilot program's success, (2) identifies and analyzes the success of similar programs in other states, and (3) recommends whether a permanent program should be established, and if so, any necessary legislation.

EFFECTIVE DATE: October 1, 2015

SHARED CLEAN ENERGY FACILITIES & SUBSCRIBERS

Under the bill, shared clean energy facilities are Class I renewable energy sources that (1) are served by an EDC, (2) have a nameplate capacity rating of four MW or less, and (3) have at least two subscribers. By law, a Class I renewable energy source is electricity derived from, among other things, solar power, wind power, fuel cells, landfill methane gas, anaerobic digestion or other biogas, and certain run-of-the-river hydropower facilities.

Under the bill, a shared facility's subscriber must be an EDC's in-state retail end user who has (1) contracted for a subscription and (2) identified an individual billing meter within the EDC's service territory to which their subscription will be attributed (i.e., their share of electricity produced at the shared facility will be used to offset costs at this meter). Individual billing meters can include a set of electric meters that are combined for billing purposes. A shared facility must be in the same EDC service territory as all of the individual billing meters identified by its subscribers.

COMMITTEE ACTION

Energy and Technology Committee

Joint Favorable Substitute

Yea 22 Nay 1 (03/24/2015)